

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 280 – HB 239

March 24, 2011

SUMMARY OF BILL: Authorizes and strongly encourages the Department of Commerce and Insurance regulatory boards and the Department of Health boards to adopt procedures for notifying licensees of complaints filed against the licensees. Authorizes and strongly encourages both Departments to establish a statute of limitations for filing complaints against licensees.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Department of Health (TDOH), the health related boards receive approximately 2,700 complaints each year.
- According to TDOH, the Department does not currently send notification letters to licensees if a complaint was received and closed as being without merit at the initial review stage.
- It is estimated that TDOH can send any additional notification letters utilizing existing resources without an increased appropriation or reduced reversion.
- According to the Department of Commerce and Insurance (TDCI), the Department currently has 24 regulatory boards that will be required to hold rulemaking hearings.
- According to TDCI, the hearings will be held at regularly scheduled meetings. Therefore, the Department will not be required to increase fees or reduce reserve balances to conduct rulemaking hearings.
- According to TDOH and TDCI, neither Department currently has a de facto statute of limitations. TDOH estimates that 25 percent of received complaints are made on claims more than two years old because the complainant utilizes the judicial system before filing with TDOH.
- It is estimated that the fiscal impact caused by a two-year statute of limitations on those 25 percent of complaints is not significant.
- According to TDCI, the Department does not currently track the age of complaints. However, the Department estimates that the number of complaints asserted on claims greater than two years old is not significant.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The health related boards had cumulative closing balances in FY08-09 of \$2,622,464, and in FY09-10 of \$5,416,959.

SB 280 – HB 239

- According to the Department of Commerce and Insurance, the 24 affected regulatory boards had cumulative closing balances in FY08-09 of \$5,438,639, and in FY09-10 of \$1,841,225.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/sbh